

OUTLOOK GOOD IN PHILIPPINES

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tranquility secured there which has never before existed, but unfortunately the ill-advantaged presence of some people from the coast towns, who had come up to see the surrender and who had always been regarded as the bitter enemies of the Filipinos, rendered the Philippine leaders suspicious and evidently caused a change of heart, for instead of surrendering they opened fire and were only repulsed after considerable loss. This deplorable incident has for the time being undone the good work already accomplished and has delayed the complete pacification of the island.

Minor Outbreaks.

Leyte—Until June 9, 1906, the island of Leyte remained in peaceful condition. The people had elected a Filipino to succeed Major Bowers, of the constabulary, who had done such good service for them for two terms. The campaign was a spirited one and so bitter that much ill feeling was engendered, and the new governor made the mistake in the early part of his administration of harshly dealing with those who had opposed his election. This, together with religious fanaticism and other contributory causes, fanned the embers into a flame and several minor outbreaks or local disturbances occurred, which were put down.

The provincial revenue was hostile to the provincial governor agreed to lay aside all their differences and cooperate for the purpose of securing order, and several of them have made a tour of the province with the governor for this purpose. It will probably require only a short time to restore the province to its former conditions of tranquility. The province is a very rich one and the disturbance is especially unfortunate.

Elections.

In December, 1905, the biennial elections were held for the selection of municipal officers, and in February last elections were held for the election of provincial governors in twenty-nine of the thirty-eight provinces. These elections are a vital part of the scheme which has been authorized by the government of the United States in its work of training the Filipinos in self government by allowing them to choose their own officers for local administration. These elections, although outwardly conducted in an orderly manner and without disturbance of the public peace, were attended with much excitement, and a large number of the municipal elections were protested, and many annulled by the provincial boards, because of frauds, intimidations, or bribery, and new elections ordered.

Fifteen of the provincial elections were also protested on various grounds, such as purchase of votes, coercion and intimidation of voters, allowing non-qualified persons to vote, use of marked ballots, etc., and the general ordered new elections in several provinces in which it was ascertained that the will of the people had not been fairly expressed. The free choice of these officials has necessarily been an experiment and is preliminary to the exercise of the still further important duty of electing their representatives to a legislative assembly which is to convene probably within the coming year, depending upon the then existing conditions of peace and order. Governor General Ide states that undoubtedly if there has been error it has not been in the direction of restriction, but rather

in the granting of perhaps a larger measure of self government than a people absolutely untrained in the exercise of any of the functions of government were prepared for. The results have been on the whole encouraging and the training that has come to the people has been invaluable.

In some provinces, though little or no interest is taken in general political subjects, great interest is excited by local elections. In the city of Manila, a contest of political factions, in view of the approach of the elections for the popular assembly, has been marked by increased intensity and bitterness and strenuous influences brought to bear by the several candidates and their friends upon the electors.

Industrial Conditions.

The reports of the various governors taken as a whole indicate that the crops are in a more prosperous condition, except as to tobacco, sugar and hemp, plants of the latter having been damaged by a destructive typhoon to the extent of about 50,000 in value of the crop. The production in the production of tobacco is due largely to lack of a suitable market, that of the United States being closed by the absolutely prohibitory duties imposed by the Dingley tariff and to the consequent low price realized for the leaf.

In the matter of exports the loss was made up by the increase in the production and exportation of coconuts. The imports were reduced below the preceding year by some \$1,000,000, a large portion of which consisted in the reduced importations of rice, which is a good sign, as it indicates that the Filipinos are raising their own rice and extending their agriculture, which for a number of years has been retarded by death of cattle and draft animals from rinderpest, locust plagues, etc. The balance of trade in favor of the islands was about \$5,000,000. Enormous numbers of new plants of Manila hemp, maguay (a most useful fiber plant), and coconuts have been set out, and there has been a large increase in the area planted to rice.

Another good sign of returning prosperity is the increased purchase of improved agricultural implements and machinery, which not merely denotes improvement in purchasing power on the part of the people, but also furnishes the material for constantly enlarged production.

Financial Condition.

The financial condition of the islands is reported to be very much better than for several years. At the close of the last fiscal year the islands retained an excess of receipts over expenditures of over a million and a half gold, due in part to the increased collections by the bureau of internal revenue and in part to the greater economy in expenditures, and it is confidently stated that during the coming year there will be a sufficient amount available over and above the ordinary expenses of the government to devote two or three millions to much-needed internal improvements, road and bridge building, and permanent public works.

Bonded Indebtedness.

In addition to the certificates of indebtedness of \$1,000,000 on account of the gold standard fund the only bonded indebtedness of the insular government is \$2,000,000 in 4 per cent bonds, issued for the purpose of purchasing the friar lands and \$3,500,000 in public improvement bonds.

Internal Revenue Law.

It is stated that practical experience under the internal revenue law has completely demonstrated the wisdom of its enactment, as it is indispensable for the purpose of revenue and redistributing the burden of taxation, placing it very largely on articles of optional consumption, and relieving the necessities of the people from a clogging and burdensome tax that had been rested upon them. The total collections during the year amounted to nearly four and a half million dollars, the bulk of which is obtained from taxes on alcoholic products, manufacturers of cigars and cigarettes, opium smoking by Chinese, and from liquor licenses.

Sixty-three per cent of the total amount was collected in Manila and 37 per cent in the provinces at a cost of 4.1 per cent of the receipts. The agitation against the law continued to some extent until October, 1905, when, becoming convinced that

it would not be modified in any vital or essential feature, the distillers and manufacturers of tobacco products adjusted themselves to the new conditions.

Suspension of Land Tax.

Owing to the continued agricultural depression, the loss of carabao, locust plagues, etc., and the general financial condition of the insular treasury, it was deemed expedient to furnish the landowners outside of Manila a temporary and much-needed respite from the burden of land taxes for one year, and, inasmuch as the proceeds of this land tax were devoted solely to local purposes, and in order that the municipalities might not be embarrassed by not having sufficient funds to meet the expenses necessary to the maintenance of schools, roads, bridges, public buildings and police forces, the Philippine commission passed an act appropriating to the provinces and municipalities from insular funds a sum equal to the total amount of the land taxes collected by them, respectively, during 1905.

The land tax is an equitable one, very small in amount and can not exceed 7.5 of 1 per cent in any one year, but the aggregate amounts to large sums, much needed for local uses. As the tax is new, it has necessarily encountered many obstacles through misunderstanding, but it is stated that as the work of revaluation is steadily progressing it is believed that this will result in such further readjustment of valuations and such other certain ascertaining of titles as will obviate many of the difficulties before experienced.

Agricultural Bank.

In the last report of the Philippine commission were set forth the need of private capital to establish an agricultural bank to aid agriculturists in developing their properties by loaning money to them at low rates of interest for the purchase of land, tools, improved farming implements and machinery, which recommendation was substantially in line with the plan of the Egyptian Agricultural Bank, which has been working successfully under circumstances quite similar to those which exist in the islands. This recommendation was with the approval of the secretary of war, and a bill was introduced at the last session of congress providing for the establishment of such a bank, which a limited working survey of the Philippine government, as well as a limited liability, which that government would be called upon to meet in any one year.

Owing to the late date on which the bill was introduced and the urgent press of other important business the bill was not acted upon at the last session, but the commission earnestly recommends that it receive favorable action at the present session, as it is necessary to attract private capital. It is stated that the Filipino people have been greatly interested in this proposition as an aid in the prosperity of the islands, and that, owing to the extortionate rates of interest levied by money lenders, no single step could be taken that would give greater satisfaction to the working mass of the people.

Railroads.

In accordance with the authority granted by congress bids were called for, concessionary contracts granted, and surveys have been for some time in progress for the building of some 430 miles of railway in the islands of Luzon in addition to the 200 miles already existing, and some 200 miles in the islands of Panay, Negros and Cebu, about evenly distributed. It will thus be seen that final steps have been taken and the machinery set in motion which will result in the construction of a bank of new railway which additional means of transportation are urgently needed for any large development or progress in the islands. For the agriculturist to bestow his labor on the production of commodities beyond the bare necessities of life is useless when there exists no means of transporting them to other parts of the islands or to the great markets of the world.

The railway soon to be under construction in Luzon carries no guaranty by the Philippine government, but those in the islands of Panay, Negros and Cebu are given a guaranty for thirty years of 4 per

cent on the first mortgage bonds, none of which are to be sold below par, the proceeds all to be expended for the construction and equipment of the roads, and any sums paid by the government under the guaranty to constitute a lien upon the railroad and its equipment. The franchises are fixed at 1 1/2 of 1 per cent of the gross earnings for thirty years, 1 1/2 per cent for fifty years, and thereafter to be fixed by the government. The grantee binds themselves in the concessionary contract to begin construction within a certain period and on plans to be approved by the governor general. The chamber of commerce of Manila, on learning the full text of the concessions, unanimously passed a resolution thanking the commission for the interest displayed.

Manila Harbor.

In the aggregate the Philippine commission report to have expended about \$1,500,000 in the improvement of the harbor of Manila and state that it is now safe against typhoons and probably the best in the orient. Seventy-eight per cent of the total final area of the harbor has been dredged to a depth of thirty feet, and the detached breakwater is completed, has stood admirably and fulfills its purpose. Contracts have been awarded for two steel and concrete wharves to be built by the insular government, one 600x200 feet and the other 600x100 to have sheds over them, and plans are now being prepared for an adequate system of docks and wharves by road miles, railways and otherwise, so as to enable merchants to handle their goods in the most economical and efficient manner. A very marked effect upon the carrying trade of the Philippine islands. The military authorities have just completed a 20 foot wharf sixty feet wide, and on the 12th of September the Logan was laid alongside of this wharf, which marks the beginning of a new era in the history of the Philippine islands, as this is the first large trans-Pacific liner to lie beside a wharf in the islands.

Friar Lands.

With the final payment on account of friar land purchases in October, 1905, there passed into the possession of the insular government approximately 400,000 acres of agricultural land, which were formerly in the religious orders, and nearly one-fifth of the same has been leased (largely to former tenants) from which a surface income is derived to pay nearly half the interest on the purchase bonds. The rentals in most cases are lower than those paid to the friars, but it is a fair proportion of each estate could be leased on similar terms the income would be sufficient to pay the interest upon the bonds and the cost of administration.

In fixing these rentals the first object has necessarily been to obtain the maximum benefit to the occupants. The latter have largely executed leases and many have indicated their intention of making purchases. These lands will be sold at prices only such as to compensate the government for money invested, so far as it can be ascertained, and favorable terms of payment will be given to purchasers. There is every reason to believe that the present occupants will end their leases by becoming purchasers and contented landowners, instead of discontented and repudiating tenants, with constant danger of disaffection and insurrection, which would have followed any attempt on the part of the friars' orders to again assert their titles to these lands and collect rentals therefrom.

Postal Savings Bank.

During the year an act has been passed by the Philippine commission establishing a postal savings bank to be administered under the bureau of posts with authority to establish branches in every postoffice throughout the archipelago. Many of the people of the islands are thrifty, but inability to properly invest or secure their earnings in a manner to make them yield an income discourages thrift, and practically the only means of saving heretofore in the provinces has been by burying money in the ground, which practice made a serious loss to the community, as the use of the money is urgently needed

in circulation for the prosperity of the islands.

In the new postal savings banks deposits may be made of any amount, however small, by the purchase of stamps on which interest will be paid of not less than 2 1/2 per cent per annum. As the funds are to be judiciously invested by an official of the government, under strict regulations prescribed by the law, the security of the funds is assured, and it is stated that the interest payable on same shortly fixed by law. This system will meet a much-needed requirement, and it is believed to be one of the most important pieces of legislation which has been enacted. It will tend gradually to win the Filipino from his love of gambling and putting his money on the hazard of the cockpit, induce him to save his little savings, and thus enable him to purchase a homestead or agricultural machinery or to enlarge his existing possessions.

Dingley Tariff.

It is stated that the principal ray of hope which came to the people of the Philippines in this midst of their losses from rinderpest, locusts, droughts and low prices for their products was that they might be furnished relief from the excessive duties now imposed upon imports of sugar and tobacco into the United States, and that the disappointment throughout the islands as well as to the people of the Philippines was that the failure of congress to do so at the last session. Attention is called to the laws passed by congress affecting commerce between the United States and the Philippines which have been given to the American ship-owners and to the foreign goods, etc., over foreigners, which enables them to control prices and cost of transportation as well as to monopolize the trade, while the American markets, which the Philippines are asked to consider their own, remain closed to them by the failure of congress to act.

The arguments in detail have been so often made for this reduction of duty on sugar and tobacco that it is hardly necessary to repeat them again this year in detail, but with the recommendation that congress at least reduce the duties on these two products to 25 per cent of the present rates.

In general, that in view of the present agricultural and financial crisis in the islands, congress should take steps to increase their commercial prosperity without interfering with that of the United States should certainly be adopted by congress.

American Capital in the Islands.

The United States is so teeming with enterprises and industries which are highly profitable that it has been difficult to induce American capital to enter the islands and aid in the long sought development of their latent and inexhaustible resources.

The following resume, however, will show that American enterprise and business sagacity have already made great progress in a field that a few years ago was almost wholly occupied by foreigners.

Up-to-date systems of lighting and street transportation have been inaugurated in the city of Manila, in which millions of American money are invested and are receiving their just reward in profits. Contracts are held by enterprising Americans for harbor works at Manila involving an expenditure of over \$4,000,000, and harbor works are under way at Iloilo and Cebu, both in the hands of Americans. A modern telephone system has been installed in Manila with American capital and will probably gradually extend itself throughout the whole of the island of Luzon as authorized by the Philippine commission. Concessions have been granted and surveys are under way for the construction of 200 miles of railway in the islands and over 100 miles in Luzon, due wholly to the business enterprise and the aggregation of American capital, and will involve between ten and twenty million dollars of expenditure. Electric lighting plants have been installed at Iloilo and Cebu under American auspices and with American capital. An important American bank has been established and has captured its fair share of the banking in the islands; contracts involving millions of dollars for

new waterworks and sewer system for the city of Manila have already been awarded to American capital; contracts have likewise been awarded to Americans for the construction of two immense steel and cement wharves or piers at Manila; large lumber concerns have been inaugurated and are carried on in different parts of the islands by American capital, and are seizing considerable portions of business for both imported and domestic lumber; the largest private stationery and printing establishment in the islands is in the hands of Americans; the second largest establishment in the world for the manufacture of coconut, widens is doing business in the islands under American control and with American capital; one of the largest importing and exporting houses in the archipelago has been established under American management and with American capital, already captured a most formidable portion of current business.

American lawyers, physicians, dentists and merchants are found in every direction, an aggregation of American capital has given a tremendous impetus to the most important product of the islands—abaca or Manila hemp, which has no rival in the world. Many varieties of other crops, including several of the older and larger companies and the use of new appliances, have been made in the mining industry, has been by rugged and hardy Americans backed by American capital. The American newspaper men are also found in considerable numbers, enterprising and energetic, and are an important factor in shaping public sentiment in the islands.

American enterprise has not taken its proper place in water transportation between the islands, yet such capital is not wanting, and one company is now meeting a serious competition from a local and valuable machinery for saving labor and increasing production have already been introduced by Americans, and this is a growing business. The uncultivated field is still large, and will furnish for many years to come an outlet for surplus energy and money of citizens of the United States to the benefit both of themselves and of the inhabitants of the islands.

Refund of Duties on Exports.

The commission renews its recommendation for repeal of the act of congress providing for the refund of duties paid on articles exported from the islands to the United States and consumed therein, and states that the reasons which led it heretofore to recommend the repeal of that provision are still operative, and that the people feel that they are being exploited for the benefit of certain interests in the United States. It is pointed out that since the passage of the act on March 8, 1902, down to June 30, 1906, there has been taken from the comparative poverty of the insular treasury, to be delivered directly into the hands of the manufacturers of cordage and other users of Philippine hemp in the United States for their enrichment \$1,471,388.47. As the cordage interest is prospering, and the Philippine islands are struggling, it is stated that legislation which takes money directly from the one and passes it over to the other is not founded on sound principles of political economy or of simple justice to the Filipinos.

Public Lands.

Under the present law of congress not more than forty acres of land may be sold from any portion of the public domain to one individual, and not more than 2,000 acres to any association or corporation. These limitations are stated to have been undoubtedly to secure to the Filipinos solely the right to occupation of public lands, but it is pointed out that however beneficent the purpose that were in the minds of the legislators when these limitations were imposed, the practical effect has been to prevent the development of agricultural industry on a large scale. The Filipino is not migratory like the American and will not disrupt local ties to seek larger facilities, better lands or greater opportunities for enriching himself in other localities for which reason the islands have many acres of fertile land absolutely unoccupied.

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Many a sufferer from Dyspepsia, indigestion and kindred ailments of the digestive organs carries around an absolutely useless stomach—a dead load, and a cesspool for ever-increasing disorders. The muscles are seemingly worn out, the mucous lining has lost its secretory power, and food taken into the stomach lies there and ferments, causing sour eructations, belchings, heartburn, dizziness and other distressing conditions. Many sufferers have given up hope until they have tried Stuart's Dyspepsia Tablets. The dyspeptic's sure and only hope. They are a natural restorative of healthy action to the stomach and small intestines, because they supply just the elements that a weak stomach lacks—pepsin, diastase, golden seal and other digestives.

If you are afflicted with any of the symptoms above described, be assured that your digestive organs are losing power—they need help and there is no more sensible help to be given them than to supply elements which will do the work of digestion for them.

Stuart's Dyspepsia Tablets have been found by the best of reputable physicians in the United States and Great Britain to have remarkable digestive powers, one grain of the active principle of these tablets being sufficient to digest 3,000 grains of ordinary food. It is plain that no amount of food can be assimilated by a stomach, or how far your disease has progressed, one only of Stuart's Dyspepsia Tablets taken at meal time will do the work—give your stomach an opportunity to regain its lost powers, the muscles will be strengthened, the glands invigorated, and you will be a new man.

It costs nothing to prove the effectiveness of this cure. Send for a free sample package today. F. A. Stuart Co., 78 Stuart Bldg., Marshall, Mich. All druggists sell Stuart's Dyspepsia Tablets at 50 cents a box.

One of the worst features of kidney trouble is that it is an insidious disease and before the victim realizes his danger he may have a fatal malady. Take Foley's Kidney Cure at the first sign of trouble as it corrects irregularities and prevents Bright's disease and diabetes. P. J. Hill Drug Co., "The never substitutes."

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Every article of merchandise has been cut and slashed. Cost, profit and loss not to be considered. Every item of winter merchandise must go. Nothing to be reserved.

THE COAT QUESTION IN A NUTSHELL.

ONE LOT of Children's Bear Skin Coats that sold up to \$4.00 to go at.....	\$1.95	ONE LOT of Children's Bear Skin Coats that sold up to \$6.00 to go at.....	\$2.95	ONE LOT of Children's Coats that sold up to \$7.50 and \$8.00 to go at.....	\$3.95
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WOMEN'S

COATS AT HALF.

ONE LOT of All-Wool Kersey Coats, all colors, that sold for \$10.50, to go at this sale for.....	\$4.95	ONE LOT of Fancy Mixtures that sold up to \$10 to go at.....	\$4.95	ONE LOT of Plain All-Wool Coats, black only, that sold up to \$13.50 to go at.....	\$6.95
ONE LOT of Fancy Mixtures, nicely trimmed, that sold up to \$13.50 to go at this sale for.....	\$6.95				

Skirts at a Price.

Our Entire Line of Skirts Have Been Assorted Out and Grouped in Price As Follows:

ONE LOT of Skirts, plain colors, all sizes, that sold up to \$2.25 to go at this sale for.....	\$1.49	ONE LOT of Skirts that sold up to \$6.50, Colors black, blue, brown and fancy mixtures. To go at.....	\$3.98
ONE LOT of Skirts that sold up to \$3.50 to go at this sale at.....	\$1.98		

All Skirts, \$7.00 and above, a discount of 25 per cent will be given. This is one of the greatest of all sales, so be on hand early.

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It's All Over With the Suit Question. They Must Go.

ONE LOT of Suits that sold as high as \$12.50 to go at.....	\$5.95	ONE LOT of Suits that sold up to \$27.50 to go at.....	12.95
ONE LOT of Suits that sold up to \$20.00 to go at.....	\$8.95	ONE LOT of Suits, the cheapest selling formerly at \$32.50 and up to \$45.00, to go at this sale at.....	\$18.95